

16 July 1957

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Review of Multilateral Security Control Program

1. At the EDAC Executive Committee meeting of 15 July, the Commerce member, with the support of the Defense member, submitted a proposal for the review of the trade controls program. (Copy attached.) This proposal indicates a desire for a lengthy and time-consuming intelligence review which would place a heavy burden on ORR resources.

2. It seems to me at this point that CIA should take a position within the EDAC structure which is consistent with the problems raised by such a review and, at the same time, consistent with the research resources available. The Commerce proposal is in a sense a "super" NIE on economic warfare and, as such, seems to go beyond what CIA believes should be done at this time. The proposal asks for a "high priority" intelligence review of nine major industrial sectors of the economy of the Sino-Soviet Bloc; broken down separately for the USSR, Eastern European Satellites (except Poland), Poland, and Communist China.

3. The State member of the Executive Committee has indicated that his agency proposes to make a comprehensive review of the political climate in the various participating countries prior to undertaking a thorough and exhaustive review of the trade controls program. The position of the Defense and Commerce members appears to be that security considerations override political considerations and that, therefore, this review should, at least at first, be held in a vacuum -- excluding relevant political considerations. The fact that such exclusion is not feasible was amply demonstrated by the recent copper wire review. In this particular case, [redacted] agreed as to the strategic nature of shipments of copper. Yet to date, political and commercial considerations have meant that strategic interests have been subordinated and, as such, are ineffective.

4. In terms of CIA support for the proposed review, I would recommend that we express ourselves in the Executive Committee as follows:

a. CIA will provide all published intelligence presently available on each of the nine categories referenced in para 2 a of the proposal. We will also supply such unfinished intelligence as may have been developed recently in any of these categories or on specific items falling within

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these categories. It is our position that Working Group I or a suitable subcommittee of the Executive Committee prepare an analytical study of this material and propose one or more sets of criteria under which a trade control program could be multilaterally justified under proper consideration of political, military and economic factors.

b. Following the State Department survey of the relevant political climate and the Working Group consideration of available intelligence, it seems possible that the EDAC community could come to an agreement as to the proper criteria for a full-scale review of multilateral trade controls. Following such an agreement, CIA would be prepared to present available intelligence supporting or negating specific commodity sectors, categories, or items for consideration under these criteria.

c. Such a procedure would mean that intelligence support which has been provided in the past ad infinitum, (and in my personal opinion, ad nauseam) could be directed this time to bear specifically on the problem at hand and should result in a considerable saving of research resources.

5. CIA can supply on relatively short notice the presently available intelligence as noted above. The complete and exhaustive review by the proposed 15 September deadline would require an allocation of research hours far in excess of that available or in fact of that useful.

6. I presented the general nature of this position at the Executive Committee meeting today. Reaction was varied and vague but I believe the sense of the proposal was understood by all members.

7. S/TD has begun a collation effort and will provide Commerce and Defense with a bibliography and collection of documents on a priority basis.

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